

**EXHIBIT “B”**

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### ACTUARIAL-ECONOMIC REPORT

Loss of Earning Capacity  
and Fringe Benefits

of

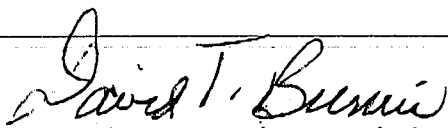
Steven R. Ramsey, Sr.

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February 21, 2005

Steven R. Ramsey, Sr.

**BACKGROUND**

Steven R. Ramsey, Sr., was born on September 1, 1964 and is, therefore, 40.5 years of age.

Mr. Ramsey was seriously injured in a work related accident on April 5, 2001 while employed as a dredge mate. Mr. Ramsey was on a 16 foot long skiff when it was caught in a strong current causing it to tip over at which time Mr. Ramsey fell into the water. Mr. Ramsey was pinned between the side the dredge and the steel skiff.

Mr. Ramsey's co-workers were able to pull him out of the water and he was taken by Medivac flight to the Atlantic City Medical Center. Mr. Ramsey has been unable to work due to his injuries since the date of the accident of April 5, 2001.

Dr. Robert R. Pennell, Orthopedic Surgeon, has stated in his report of January 31, 2005 that Mr. Ramsey is totally disabled due to the accident and that his prognosis is poor.

Dr. Emmanuel B. Green, Vocational Expert, has stated in his report of February 20, 2005 that Mr. Ramsey is totally occupationally disabled from his employment as a dredge mate as well as any other kind of work. Dr. Green further stated that Mr. Ramsey's disability is permanent.

At the time of the accident, Mr. Ramsey was employed as a dredge mate with Jay Cashman, Inc. His basic rate of pay was \$24.02 per hour, plus overtime. Without any allowance for overtime, the annual earnings based upon \$24.02 per hour, would be \$49,962 per year.

Mr. Ramsey earned \$27,644 from February 12, 2000 through October 21, 2000. Prorated on an annual basis, this would be equivalent to earnings in the amount of \$40,199 per year.

Mr. Ramsey earned \$16,658 from January 1, 2001 to the date of the accident of April 5, 2001. Prorated on a full year basis, this would be equivalent to earnings of \$64,002 per year.

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An examination of Mr. Ramsey's pay records reflect numerous weeks in which his earnings varied between \$1,000 and \$1,250 per week. This range of pay is also true of his co-worker, Richard C. Knowlton, Jr.

Steven R. Ramsey, Sr.

**BACKGROUND**  
**(Continued)**

In addition to his cash earnings, as a member of the Union of Operating Engineers, Local 25, Mr. Ramsey was provided with various fringe benefits, which included medical benefits and pension. According to information supplied by Local 25, Marine Division, the value of the pension and medical benefits would be in the amount of \$6,420 per year.

**LIFE EXPECTANCY**

As indicated previously, Mr. Ramsey is currently 40.5 years of age. The life expectancy as of the current date is 37.0 additional years, based upon the 2002 U.S. Life Tables, prepared by the U.S. Department of Health and Human Services.

Adding the life expectancy of 37.0 years to the current age of 40.5 years results in an expected life span of 77.5 years.

**WORK-LIFE EXPECTANCY**

The work-life expectancy as of the current date is 26.5 years, based upon retirement at age 67, the age at which an individual with Mr. Ramsey's date of birth would become eligible for full Social Security retirement benefits.

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### PAST LOST EARNINGS

As indicated in the Background section of this report, Mr. Ramsey's earnings ranged from \$1,000 per week (\$52,000 per year) to \$1,250 per week (\$65,000 per year).

For purposes of this report, the annual loss figures will be shown at a loss of \$52,000 per year as well at the rate of \$65,000 per year.

Based upon a loss measured at \$52,000 per year, the total past lost earnings, measured from the date of accident to the current date, would be in the mount of \$202,020.

Based upon a loss measured at \$65,000 per year, the total past lost earnings, measured from the date of accident to the current date, would be in the mount of \$252,525.

### INCOME TAXES

A portion of the above figures must be deducted to represent the amount of money which Mr. Ramsey would have allocated for the payment of State and Federal income taxes. Based upon Federal & State Tax Tables, approximately 18% of earnings would be allocated for the payment of income taxes.

After deducting for State and Federal income taxes, the net past lost earnings would be as follows:

Basis One:

Loss of \$52,000 Per Year (net).....\$165,656

Basis Two:

Loss of \$65,000 Per Year (net).....\$207,071

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**FUTURE LOST EARNING CAPACITY**

The future lost earning capacity is measured from the current date throughout the duration of the work-life expectancy period, on the following two bases:

Basis One: Loss of \$52,000 Per Year

Basis Two: Loss of \$65,000 Per Year

The future lost earning capacity is calculated utilizing a total offset method, whereby increases in earnings due to inflation and productivity are offset by the appropriate interest rate utilized in making a present value calculation. According to the aforementioned published statistics by the U.S. Department of Labor, Bureau of Labor Statistics, in the years 2000, 2001, 2002 and 2003, hourly compensation increases (annual changes) were at the rates of 7%, 3.9%, 2.3% and 3.2% per annum, respectively. As of the first and second quarter of 2004, hourly compensation increased at the rates of 4% per annum and 4.9% per annum. These rates of increase in earnings would include both, inflation and productivity. The general rates of inflation, as measured by the Consumer Price Index (CPI-U), were at the rates of 3.4%, 2.8%, 1.6% and 2.3% for the years 2000 through 2003, respectively. For the 3 month period ending July 2004, the CPI-U (Compound Annual Rate) was at the rate of 3.7%. Productivity increases would be in addition to inflationary increases.

These rates of increase, when coupled with a reasonable risk-free after-tax rate of interest currently available in the financial marketplace, including government securities and Certificates of Deposit, would lead to an offset between the rate of growth in the future and the reduction to present value. Specifically, government securities currently have rates of interest ranging between 1.5% for the two year Note up to approximately 5% for the 30 year Bond. Certificates of Deposit and money market accounts currently have rates of return ranging from slightly more than 1% to just under 3%. Taken collectively, it would be appropriate to make calculations for the present value of the future lost earning capacity by utilizing a total offset method.

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**FUTURE LOST EARNING CAPACITY**  
(continued)

On this basis, utilizing a total offset method, the present value of the future lost earning capacity would be as follows:

Basis One:

Loss of \$52,000 Per Year.....\$1,378,000

Basis Two:

Loss of \$65,000 Per Year.....\$1,722,500

After deducting for taxes on the basis previously described, the present value of the future lost earning capacity would be as follows:

Basis One:

Loss of \$52,000 Per Year (net).....\$1,129,960

Basis Two:

Loss of \$65,000 Per Year (net).....\$1,412,450

**LOST FRINGE BENEFITS**

In addition to his regular earnings, as a member of the Union of Operating Engineers, Local 25, Mr. Ramsey was provided with various fringe benefits. According to information supplied by Local 25, Marine Division, the value of the pension and medical benefits would be in the amount of \$6,420 per year.

The past lost fringe benefits, measured from the date of layoff, January 2004, through the current date, would be in the amount of \$24,942.

The future lost fringe benefits from the union are measured from the current date throughout the duration of the work-life expectancy period. On this basis, and utilizing a total offset method, the present value of the future lost fringe benefits would be in the amount of \$170,130

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SUMMARY

Basis One: Loss of \$52,000 Per Year

Past Lost Earnings (net).....	\$ 165,656
Present Value of Future Lost Earning Capacity (net)....	1,129,960
Past Lost Fringe Benefits.....	24,942
Present Value of Future Lost Fringe Benefits.....	<u>170,130</u>
TOTALS.....	\$1,490,688

Basis Two: Loss of \$65,000 Per Year

Past Lost Earnings (net).....	\$ 207,071
Present Value of Future Lost Earning Capacity (net)....	1,412,450
Past Lost Fringe Benefits.....	24,942
Present Value of Future Lost Fringe Benefits.....	<u>170,130</u>
TOTALS.....	\$1,814,593

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(Note: All opinions expressed in this report are held to a reasonable degree of actuarial and economic certainty.)